

REMARKS

The following remarks, taken together with the claim amendments listed herein, are provided in response to the Office Action communication dated April 13, 2009, wherein the shortened statutory period for response expires on July 13, 2009. Accordingly, this response is considered timely filed.

Upon receipt of the present Office Action, Applicants' claims 1-49 and 54-61 were pending in the subject application. Claims 1-45 currently stand rejected under the statutory provisions of 35 U.S.C. §101 as being directed to non-statutory subject matter. Claims 1, 20, 24, 28, 42, 47, 49, 55, 57, 59 and 61 currently stand rejected under the statutory provisions of 35 U.S.C. §112, first paragraph, as failing to comply with the written description requirement. Claims 1, 20, 24, 28, 42, 47, 49, 55, 57, 59 and 61 currently stand rejected under the statutory provisions of 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 1-49 and 54-61 currently stand rejected under the statutory provisions of 35 U.S.C. §103(a) as being unpatentable over U.S. Patent 5,926,792 (hereinafter "Koppes") in view of non-patent literature entitled "Portable Alpha Travels New Roads" (hereinafter "Petzel"), and further in view of U.S. Patent 7,143,061 (hereinafter "Treynor").

In the present response, Applicants have proposed amending the claims, as reflected under the heading "Listing of Claims" beginning on page 2 of this paper, to more clearly identify the statutory subject matter of the claimed invention. In addition, Applicants submit the following remarks wherein the Examiner's rejections are respectfully traversed.

Rejection of Claims under 35 U.S.C. § 101

Claims 1-45 currently stand rejected under 35 U.S.C. §101 as allegedly being directed to non-statutory subject matter.

Without conceding the propriety of the rejection, and solely to advance prosecution of the claimed invention, Applicants have proposed further amending the disputed independent claims to more clearly associate the aforementioned rejected claims with a qualifying statutory class.

In view of the foregoing amendments, Applicants respectfully request that the rejection under 35 U.S.C. §101 be withdrawn.

Rejection of Claims under 35 U.S.C. § 112, 1st ¶

Claims 1, 20, 24, 28, 42, 47, 49, 55, 57, 59 and 61 currently stand rejected under 35 U.S.C. §112, first paragraph, for failing to comply with the written description requirement.

In asserting this rejection, the Examiner alleges that the claims contain subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventors, at the time the application was filed, had possession of the claimed invention. More specifically, the Examiner asserts that there is no support for the claim language “*automatically* adjusting the holdings . . .” in Applicants’ detailed specification.

Applicants respectfully disagree with the Examiner’s foregoing assessment. One of ordinary skill in the art would understand that the subject matter recited in these claims are intended to be automatically adjusted periodically by the programmed computer and, further, that any alleged ambiguity is quickly distinguished upon a reading of Applicants’ detailed specification. However, so as to advance prosecution of the claimed invention, Applicants have proposed amending the offending language, as reflected under the heading “Listing of Claims” beginning on page 2 of this paper, to remove any alleged uncertainty.

In view of the foregoing amendments, Applicants respectfully request that the rejection under 35 U.S.C. §112, first paragraph, be withdrawn.

Rejection of Claims under 35 U.S.C. § 112, 2nd ¶

Claims 1, 20, 24, 28, 42, 47, 49, 55, 57, 59 and 61 currently stand rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention.

In asserting this rejection, the Examiner alleges that the preamble of the claims recite a “method implemented at least partially on a programmed computer” without specifying which of the method steps are implemented in the programmed computer.

Applicants have proposed amending the method step limitations of the subject claims, as reflected under the heading “Listing of Claims” beginning on page 2 of this paper, to remove any alleged uncertainty and to more clearly recite the subject matter for which Applicants regard as the invention.

In view of the foregoing amendments, Applicants respectfully request that the rejection under 35 U.S.C. §112, second paragraph, be withdrawn.

Rejection of Claims under 35 U.S.C. § 103(a)

In rejecting claims 1, 20, 24, 28, 42, 47, 49, 55, 57, 59 and 61, the Examiner asserts that all of the limitations recited in these independent claims are shown by the combined teachings of Koppes, Petzal and Treynor. *Office Action, Page 5.*

Pursuant to MPEP § 2142, to establish a *prima facie* case of obviousness, and thus sustain the rejection of a claim under 35 U.S.C. § 103(a), there must be a clear articulation of the reasons why Applicants' claimed invention would have been obvious. *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007). The Supreme Court in *KSR* has further noted that an analysis supporting a rejection under 35 U.S.C. § 103(a) should be made explicit. Therefore, it is clear that an obviousness rejection "cannot be sustained with mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *In re Kahn*, 441 F.3d 977 (Fed. Cir. 2006). Moreover, "[t]o support the conclusion that the claimed invention is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed invention or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references." MPEP § 706.02(j).

Applicants kindly direct the Examiner's attention to the following limitation recited in each of independent claims 1, 24, 46, 48, 54, 56, 58 and 60:

"adjusting the holdings of fluctuating return assets . . . in response to a change in the second return, wherein the holdings are increased when the second return exceeds the established rate and the holdings are decreased when the established rate exceeds the second return"

and to the following similar limitation recited in each of independent claims 20, 42, 47, 49, 55, 57, 59 and 61:

"periodically adjusting . . . the stabilized return when the established rate exceeds the total return, or the total return when the total return exceeds the established rate."

In the present Office Action, the Examiner acknowledges that the foregoing recited limitations are absent from the teachings of Koppes and Petzel. Instead the Examiner asserts that these limitations are disclosed in the abstract and Fig. 2 of Treynor. *Office Action, Page 6*. Contrary to this assertion, Applicants respectfully submit that the collective teachings of Koppes, Petzel and Treynor are deficient in rendering Applicants' claimed invention unpatentable under the statutory provisions of 35 U.S.C. § 103(a).

More specifically, Applicants submit that adjusting holdings of fluctuating return assets in response to a change in a second return is simply not disclosed in Treynor and, therefore, it would not have been obvious to one of ordinary skill in the art to make the suggested modification to the subject matter disclosed in Koppes. Treynor merely discloses adjusting holdings to maintain a portfolio as being approximately logarithmic and to maintain a specified level of absolute risk. There is no mention or suggestion in Treynor of increasing holdings when a second return exceeds an established rate or decreasing holdings when the established rate exceeds the second return.

As suggested by the Supreme Court in *KSR*, “[t]o support the conclusion that the claimed invention is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed invention or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references.” It is clear that that none of the alleged prior art references expressly or impliedly disclose adjusting the holdings of return assets in response to a change in a second return, as prescribed by Applicants' claimed invention. Accordingly, Applicants respectfully submit that the rationale provided in the present Office Action does not sufficiently establish a convincing line of reasoning as to why one of ordinary skill in the art would have been motivated to combine the teachings of these alleged prior art references. For at least these reasons, Applicants' claimed invention, as currently amended, is neither shown nor suggested by the teachings of Koppes, Petzel or Treynor, whether taken independently or in combination.

In view of the foregoing remarks, currently amended independent claim 1, claims 2-19 which depend therefrom, currently amended independent claim 20, claims 21-23 which depend therefrom, currently amended independent claim 24, claims 25-41 which depend therefrom, currently amended independent claim 42, claims 43-45 which depend therefrom, previously

presented claim 46, currently amended claim 47, previously presented claim 48, currently amended claim 49, previously presented claim 54, currently amended claim 55, previously presented claim 56, currently amended claim 57, previously presented claim 58, currently amended claim 59, previously presented claim 60 and currently amended claim 61 are not rendered obvious by the combined teachings of Koppes, Petzel and Corcoran or any other combination thereof. Accordingly, Applicants respectfully request that the rejection under 35 U.S.C. § 103(a) be withdrawn.


Conclusion

For at least the reasons set forth above, this patent application, as amended, is now in condition for allowance. Reconsideration and prompt allowance of this patent application are respectfully requested.

If it will advance the prosecution of this patent application, the Examiner is urged to telephone (973.597.6326) Applicants' undersigned representative. All written communications should continue to be sent to the address provided below.

Respectfully submitted,

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Dated: July 13, 2009

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